



HOUSE BUDGET COMMITTEE

Democratic Caucus

The Honorable John M. Spratt Jr. ■ Ranking Democratic Member

B-71 Cannon HOB ■ Washington, DC 20515 ■ 202-226-7200 ■ www.house.gov/budget_democrats

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House Passes Democratic Motion on the Budget Resolution

Motion rejects House Republican cuts to education, Medicare, Medicaid, veterans, student loans, and school lunches

Dear Democratic Colleague:

The U.S. House of Representatives today passed a Democratic motion to instruct conferees on House Concurrent Resolution 95, the Budget Resolution for Fiscal Year 2004. Republicans at first argued against the motion. But then they decided that they could not defeat it, and opted to vote for it. It was approved 399-22.

The Democratic motion rejects \$215 billion of House Republican cuts to Medicare and Medicaid, school lunches and student loans, agriculture, and veterans' programs. It endorses the Senate's \$396 billion reserve to protect Social Security. And it calls on the conferees, on a deficit-neutral basis, to restore the cuts and to fund the Social Security reserve by reducing the Republicans' excessive tax cuts by at least \$611 billion. The House Republican budget's spending cuts are not included in the House Democratic budget, the Senate budget resolution, or even the President's budget.

In capitulating to the Democratic motion, House Republicans thus repudiated a substantial share of their proposed, formula-driven cuts against vulnerable and working Americans. They also repudiated almost half of the President's proposed tax cuts that are disproportionately aimed at those Americans who need the help the least. Following on the defeat of the Senate Republicans' effort to protect the President's tax cut, this shows a significant retreat from the President's program on both sides of the Capitol.

Republicans have mischaracterized their retreat in two important respects. First, they have claimed that by moving to strike the reconciliation instruction for cuts against veterans, Medicare, Medicaid, and students and their families, the House has determined that those programs should be frozen at the 2003 level. Every budget authority knows that this Republican claim is not true. (Without the reconciliation instructions to cut these mandatory programs, the programs simply revert to their rate of growth under current law.) Second, Republicans argue that in striking a large share of their recommended tax cuts, the motion endorses the remainder. That claim also is untrue; the motion endorses no tax cuts, but only repudiates the portion needed to match the rejected spending cuts and the Social Security reserve.

The President's budget, and the Senate and House Republican budgets, have now all suffered defeats in both Republican-controlled chambers of the Congress. Even Republicans are beginning to see that their tax cuts are badly misguided for a nation that they have driven into substantial deficit. These actions show at least a ray of hope that the Republican erosion of the nation's fiscal health may now be forestalled.

Sincerely,

John M. Spratt, Jr.
Ranking Democratic Member